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HOUSING AUTHORITY OF GRANT PARISH, LOUISIANA
REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED MARCH 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 13 1999**

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION

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HOUSING AUTHORITY OF GRANT PARISH
SUMMARY OF AUDITOR'S RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results

- A. We issued an unqualified opinion on the Housing Authority of Grant Parish, Louisiana for the audit of its financial statements for the year ended March 31, 1999.
- B. No reportable conditions in internal control were disclosed by our audit of the financial statements.
- C. The audit did not disclose any noncompliance which is material to the financial statements.
- D. No reportable conditions in internal control were disclosed by our audit over major programs.
- E. We issued an unqualified opinion on compliance for major programs.
- F. Our audit disclosed no audit findings that we are required to report under 510(a) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 96-53.
- G. Major programs are as follows, and see Schedule of Federal Expenditures for CFDA numbers and amounts:
 - 1. Low Income Housing
 - 2. Section 8 HAP — Voucher
 - 3. Section 8 HAP — Existing
 - 4. CIAP
- H. The dollar threshold to distinguish Type A and Type B programs is \$ 300,000.
- I. The Housing Authority of Grant Parish, Louisiana, for the year ended March 31, 1999, did not qualify as a low-risk auditee.

Schedule of Findings and Questioned Costs

- J. There are findings in these financial statements that are required to be reported in accordance with GAGAS.
- K. There are no audit findings or questioned costs for Federal awards which shall include audit findings as described in 510(a) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 96-53.

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MIKE ESTES, CPA/PFS, CFP

MEMBER
AMERICAN BOARD CERTIFIED
PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Commissioners
Housing Authority
of Grant Parish
Georgetown, Louisiana

Regional Inspector General for Audit
Office of Inspector General
Department of Housing and Urban
Development

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the Housing Authority of Grant Parish, Louisiana at and for the year ended March 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of Grant Parish, Louisiana' management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements and the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Grant Parish, Louisiana as of March 31, 1999 and the results of its operations and changes in its surplus for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 26, 1999 on our consideration of Housing Authority of Grant Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statement of the Housing Authority of Grant Parish, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Mike Estes P. C.

Fort Worth, Texas

August 26, 1999

HOUSING AUTHORITY OF GRANT PARISH

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 1999

	Governmental Fund Types			Fiduciary Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fixed Assets	General Long-Term Debt	
ASSETS								
Cash and cash equivalents	\$ 3,164.67	\$ 37,583.53	\$	\$	\$ 1,250.00	\$	\$	\$ 41,998.20
Investments	47,946.49							47,946.49
Debt amortization and bond funds								0.00
Receivables, net of allowances:								
Rentals	873.12							873.12
Other	173.10	12,164.20						12,337.30
Due from:								
Other funds	13,697.31	17,267.45						30,964.76
Prepaid expenditures	1,693.17							1,693.17
Property, plant and equipment						859,447.37		859,447.37
Total Assets	\$ 67,547.86	\$ 67,015.18	\$ 0.00	\$ 0.00	\$ 1,250.00	\$ 859,447.37	\$ 0.00	\$ 995,260.41

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
MARCH 31, 1999

	Governmental Fund Types				Fiduciary Fund Types		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency		General Fixed Assets	General Long-Term Debt		
LIABILITIES AND FUND EQUITY										
LIABILITIES										
Accounts payable	\$ 2,042.66	\$	\$	\$	\$				\$	\$ 2,042.66
Accrued liabilities										0.00
Due to:										
Tenants					1,250.00					1,250.00
Other funds		30,964.86								30,964.86
Other governments		11,645.00								11,645.00
Total Liabilities	2,042.66	42,609.86	0.00	0.00	1,250.00		0.00	0.00		45,902.52
FUND EQUITY										
Investment in general fixed assets							859,447.37			859,447.37
Fund balances:										
Unreserved:										
Undesignated	65,505.20	24,405.32								89,910.52
Total Fund Equity	65,505.20	24,405.32	0.00	0.00	0.00		859,447.37	0.00		949,357.89
Total Liabilities and Fund Equity	\$ 67,547.86	\$ 67,015.18	\$ 0.00	\$ 0.00	\$ 1,250.00	\$	\$ 859,447.37	\$ 0.00	\$	\$ 995,260.41

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 1999

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES					
Rentals	\$ 18,757.85				\$ 18,757.85
Intergovernmental	35,074.00	293,923.00		334,927.76	663,924.76
Interest	1,689.04	517.00			2,206.04
Other	20,061.94				20,061.94
Total Revenues	<u>75,582.83</u>	<u>294,440.00</u>	<u>0.00</u>	<u>334,927.76</u>	<u>704,950.59</u>
EXPENDITURES					
Administration	14,475.82	74,605.18			89,081.00
Utilities	7,839.04				7,839.04
Ordinary maintenance	18,261.14				18,261.14
General expenditures	16,631.63				16,631.63
Housing assistance payments		244,900.50			244,900.50
Capital expenditures				334,927.76	334,927.76
Total expenditures	<u>57,207.63</u>	<u>319,505.68</u>	<u>0.00</u>	<u>334,927.76</u>	<u>711,641.07</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,375.20</u>	<u>(25,065.68)</u>	<u>0.00</u>	<u>0.00</u>	<u>(6,690.48)</u>
OTHER FINANCING SOURCES(USES)					
Operating transfers in					0.00
Operating transfers out					0.00
Total other financing sources(uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND BALANCE, beginning of year	<u>47,130.00</u>	<u>49,471.00</u>			<u>96,601.00</u>
FUND BALANCE, end of year	<u>\$ 65,505.20</u>	<u>\$ 24,405.32</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 89,910.52</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND SPECIAL REVENUE FUNDS
 YEAR ENDED MARCH 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES						
Rentals	\$ 21,280.00	\$ 18,757.85	\$ (2,522.15)	\$	\$	\$ 0.00
Intergovernmental	35,074.00	35,074.00	0.00	305,568.00	293,923.00	(11,645.00)
Interest	1,200.00	1,689.04	489.04		517.00	517.00
Other income	2,340.00	20,061.94	17,721.94			0.00
Total Revenues	59,894.00	75,582.83	15,688.83	305,568.00	294,440.00	(11,128.00)
EXPENDITURES						
Administration	16,583.00	14,475.82	(2,107.18)	44,004.00	74,605.18	30,601.18
Utilities	7,570.00	7,839.04	269.04			0.00
Ordinary maintenance	16,563.00	18,261.14	1,698.14			0.00
General expenditures	17,735.00	16,631.63	(1,103.37)			0.00
Housing assistance payments			0.00	261,564.00	244,900.50	(16,663.50)
Total Expenditures	58,451.00	57,207.63	(1,243.37)	305,568.00	319,505.68	13,937.68
Excess (deficiency) of revenues over (under) expenditures	\$ 1,443.00	18,375.20	\$ 16,932.20	\$ 0.00	(25,065.68)	\$ (25,065.68)
Transfer of net income to unreserved deficit						
FUND BALANCES, beginning of year		47,130.00			49,471.00	
FUND BALANCES, end of year		\$ 65,505.20			\$ 24,405.32	

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS
 YEAR ENDED MARCH 31, 1999

	Debt Service Fund		Capital Projects Funds		Over (Under) Budget
	Budget	Actual	Budget	Actual	
REVENUES					
Intergovernmental			\$334,927.76	334,927.76	0.00
Total Revenues	0.00	0.00	334,927.76	334,927.76	0.00
EXPENDITURES					
Capital expenditures			334,927.76	334,927.76	0.00
Total Expenditures	0.00	0.00	334,927.76	334,927.76	0.00
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	0.00	\$ 0.00	0.00	\$ 0.00
Transfer of net income to unreserved deficit					
FUND BALANCES, beginning of year					
FUND BALANCES, end of year	\$ 0.00	0.00	\$ 0.00	0.00	\$ 0.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Georgetown, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Grant Parish Police Jury. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities, housing assistance payments for eligible individuals, and receipt of annual debt service requirements for HUD-related long-term debt.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of March 31, 1999, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped by type and broad categories in the financial statements as follows:

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(3) Fund Accounting (continued)

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Authority are financed. The measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The following are the Authority's governmental fund types:

General Fund - The General Fund is the general operating fund of the Authority. The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside sources are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of interest, principal, and related costs of general long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or rehabilitation of major capital facilities.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the Authority's fiduciary fund type:

Agency Funds - Agency Funds include Tenant Security Deposit Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Authority's general fixed assets and general long-term debt for governmental fund types. These are not "funds." They are concerned only with the measurement of financial position and not with results of operations. The following are the Authority's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Authority.

(4) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" when received in cash, except for certain revenues which are accrued when they are both measurable and available or have not been received at the normal time of receipt. Certain grant revenues are accrued when funds are expended. Revenues susceptible to accrual are federal grants, interest on investments, and other miscellaneous revenues which are both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency Funds are custodial in nature and do not measure results of operations. They are clearing accounts whose assets at all times are equally offset by related liabilities.

(5) Budgetary Data

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program, included in the General Fund, and all Assisted Housing (Section 8) Programs, included in Special Revenue Funds. Annual budgets are not required for Capital Projects Funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures, such as reinstatement of prior-year encumbrances. The Board and HUD must approve fund appropriation increases. Any unused appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the Board and HUD.

The original budget has been amended throughout the year to reflect changes in revenue and expenditure estimates.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables. The difference is not considered materially different from generally accepted accounting principles.

(6) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(7) Tenant Receivables

Receivables for rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ -0- at March 31, 1999.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, construct assets, and service debt. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

(9) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation is not recorded on general fixed assets. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets.

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost certification reports are submitted to HUD, at which time such costs are transferred to the appropriate property categories.

(10) General Long-Term Debt

All long-term indebtedness of the Authority is accounted for in the General Long-Term Debt Account Group and is intended to be paid through the Debt Service Fund.

(11) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. The cost of this has not been accrued due to immateriality.

(12) Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at March 31, 1999. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 - Uncollateralized, uninsured and unregistered, but with securities held by the bank, its trust department, or its agent, pledged to the PHA, but not in the PHA's name.

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balances	Category		
	1	2	3
\$ <u>89,944.69</u>	\$ <u>89,944.69</u>	\$ <u>0.00</u>	\$ <u>0.00</u>

NOTE C - ACTIVITIES OF THE PHA

At March 31, 1999, the PHA was managing 28 units of low-rent in one project under Program FW — 2020, 75 Section 8 Existing units, Program FW- 2103, and 38 units of Section 8 Voucher, Program FW- 2251.

NOTE D - CONTINGENCIES

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE E - PROPERTY, PLANT AND EQUIPMENT (OPEN)

Changes in the general fixed assets account group are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land impvts.	\$ 2,500.00	\$	\$	\$ 2,500.00
Buildings	806,468.37			806,468.37
Equipment	50,479.00			50,479.00
Total	\$ <u>859,447.37</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>859,447.37</u>

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

NOTE F - RETIREMENT PLAN

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusionary period. The employee contributes 5 % and the entity contributes 8 % to the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's contributions were calculated using the base salary amount of \$ 56,760.00. Contributions to the plan were \$ 2,837.00 and \$ 4,540.00 by the employee and the entity, respectively.

NOTE G - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

HOUSING AUTHORITY OF GRANT PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

MARCH 31, 1999

Long Term Debt

It is not possible to estimate the fair value of long term debt owed to the federal government by this governmental entity, a housing authority. FASB 107 describes fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

NOTE G - ACCOUNTING FOR THE IMPAIRMENT OF LONG - LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE H - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE I - YEAR 2000 COMPUTER CONVERSION

The PHA utilizes a fee accountant. The fee accountant has assessed the Year 2000 computer conversion issues. The fee accountant has recently purchased new computer hardware and software in anticipation of Year 2000. The software providers for the PHA's in-house software also appear to have addressed the Y2K issues.

HOUSING AUTHORITY OF GRANT PARISH
 SPECIAL REVENUE FUND TYPES
 COMBINING BALANCE SHEET
 MARCH 31, 1999

	Assisted Housing Programs					Total
	Existing Units Program	Moderate Rehabilitation Program 1	Moderate Rehabilitation Program 2	Moderate Rehabilitation Program 3	Voucher Program	
ASSETS						
Cash and cash equivalents	\$ 29,724.81	\$	\$	\$	\$ 7,858.72	\$ 37,583.53
Receivables, net of allowances:						0.00
Rentals						0.00
Other	10,791.44				1,372.76	12,164.20
Due from:						0.00
Other funds					17,267.45	17,267.45
Total Assets	<u>\$ 40,516.25</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 26,498.93</u>	<u>\$ 67,015.18</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Due to:						0.00
Other funds	26,468.52				4,496.34	30,964.86
Other governments	1,766.00				9,879.00	11,645.00
Total liabilities	<u>28,234.52</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>14,375.34</u>	<u>42,609.86</u>
FUND EQUITY						
Unreserved and undesignated	12,281.73				12,123.59	24,405.32
Total fund equity	<u>12,281.73</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>12,123.59</u>	<u>24,405.32</u>
Total liabilities and fund equity	<u>\$ 40,516.25</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 26,498.93</u>	<u>\$ 67,015.18</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

SPECIAL REVENUE FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MARCH 31, 1999

Assisted Housing Programs

	Existing Units Program	Voucher Program	Total
REVENUES			
Intergovernmental	\$ 196,626.00	\$ 97,297.00	\$ 293,923.00
Interest	78.00	439.00	517.00
Total Revenues	196,704.00	97,736.00	294,440.00
EXPENDITURES			
Administration	55,375.27	19,229.91	74,605.18
Housing assistance payments	163,697.00	81,203.50	244,900.50
Total Expenditures	219,072.27	100,433.41	319,505.68
Excess (deficiency) of revenues over (under) expenditures	(22,368.27)	(2,697.41)	(25,065.68)
FUND BALANCE, beginning of year	34,650.00	14,821.00	49,471.00
FUND BALANCE, end of year	\$ 12,281.73	\$ 12,123.59	\$ 24,405.32

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

CAPITAL PROJECT FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 MARCH 31, 1999

	CIAP Housing Programs		
	CIAP 97-902	CIAP 97-903	Total
REVENUES			
Intergovernmental	\$ 334,407.76	\$ 520.00	\$ 334,927.76
Total Revenues	334,407.76	520.00	334,927.76
EXPENDITURES			
Capital expenditures	334,407.76	520.00	334,927.76
Total Expenditures	334,407.76	520.00	334,927.76
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00
FUND BALANCE, beginning of year			0.00
FUND BALANCE, end of year	\$ 0.00	\$ 0.00	\$ 0.00

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

FIDUCIARY FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 1999

	<u>Agency Funds</u>	
	Tenant Security Deposit Funds	Total Fiduciary Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 1,250.00	\$ 1,250.00
Total Assets	<u>\$ 1,250.00</u>	<u>\$ 1,250.00</u>
LIABILITIES		
Due to tenants	\$ 1,250.00	\$ 1,250.00
Total Liabilities	<u>\$ 1,250.00</u>	<u>\$ 1,250.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH
 FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS
 MARCH 31, 1999

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 1,425.00	\$ 1,425.00
ADDITIONS		0.00
_____		0.00
_____		0.00
_____		0.00
_____		0.00
_____		0.00
Total Additions	<u>0.00</u>	<u>0.00</u>
REDUCTIONS		
<u>Payments to Tenants</u>	175.00	175.00
_____		0.00
_____		0.00
_____		0.00
_____		0.00
Total Reductions	<u>175.00</u>	<u>175.00</u>
DEPOSIT BALANCES AT END OF YEAR	\$ <u>1,250.00</u>	\$ <u>1,250.00</u>

The Notes to Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1999ANNUAL CONTRIBUTION CONTRACT
FW — 2020ASSETS

Cash - Exhibit F(1)	\$	4,414.67
Accounts receivable - tenants		873.12
Accounts receivable - other		173.10
Accounts receivable - Existing		9,200.97
Accounts receivable - Voucher		4,496.34
Investments - Note B		47,946.49
Deferred charges		1,693.17
Land, structures and equipment		<u>1,215,579.63</u>
Total Assets	\$	<u>1,284,377.49</u>

LIABILITIES AND SURPLUS

Accounts payable	\$	<u>3,292.66</u>
Total Liabilities		3,292.66
Surplus - Exhibit C(1)		<u>1,281,084.83</u>
Total Liabilities and Surplus	\$	<u>1,284,377.49</u>

HOUSING AUTHORITY OF GRANT PARISH

BALANCE SHEET – STATUTORY BASIS
MARCH 31, 1999ANNUAL CONTRIBUTION CONTRACT
FW – 2103

SECTION 8 - EXISTING

ASSETS

Cash	\$	18,454.81
Accounts receivable - Prior year HUD		10,791.44
Investments		11,270.00
Land, structures and equipment		11,394.00
		<hr/>
Total Assets	\$	<u>51,910.25</u>

LIABILITIES AND SURPLUS

Accounts payable - Voucher	\$	17,267.45
Accounts payable - HUD - Exhibit D(2)		1,766.00
Accounts payable - Low Rent		9,201.07
		<hr/>
Total Liabilities		28,234.52
Surplus - Exhibit C(2)		<u>23,675.73</u>
		<hr/>
Total Liabilities and Surplus	\$	<u>51,910.25</u>

HOUSING AUTHORITY OF GRANT PARISH

BALANCE SHEET — STATUTORY BASIS
MARCH 31, 1999ANNUAL CONTRIBUTION CONTRACT
FW — 2251

SECTION 8 - VOUCHER

ASSETS

Cash	\$	7,858.72
Accounts receivable - Voucher		17,267.45
Accounts receivable - Prior year HUD		<u>1,372.76</u>
Total Assets	\$	<u><u>26,498.93</u></u>

LIABILITIES AND SURPLUS

Accounts payable - HUD - Exhibit D(3)	\$	9,879.00
Accounts payable - Low Rent		<u>4,496.34</u>
Total Liabilities		14,375.34
Surplus - Exhibit C(3)		<u>12,123.59</u>
Total Liabilities and Surplus	\$	<u><u>26,498.93</u></u>

HOUSING AUTHORITY OF GRANT PARISH
STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS
ANNUAL CONTRIBUTION CONTRACT
FW – 2020

		<u>Year Ended</u>
		<u>03-31-99</u>
Operating Income		
Dwelling rental	\$	18,757.85
Interest on general fund investments		1,689.04
Other income		2,375.13
		<u>22,822.02</u>
Total Operating Income - Exhibit D(1)		<u>22,822.02</u>
Operating Expenses		
Administration		14,475.82
Utilities		7,839.04
Ordinary maintenance and operation		18,261.14
General expense		16,631.63
		<u>57,207.63</u>
Total Operating Expense - Exhibit D(1)		<u>57,207.63</u>
Net Operating Income (Loss)		<u>(34,385.61)</u>
Other Credits		
Prior year adjustments - affecting residual receipts		54,742.09
		<u>54,742.09</u>
Total Other Credits		<u>54,742.09</u>
Net Loss - Exhibit C(1)	\$	<u><u>20,356.48</u></u>

HOUSING AUTHORITY OF GRANT PARISH
STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT
FW – 2103

		<u>Year Ended</u>
		<u>03-31-99</u>
Operating Income		
Interest Income	\$	<u>78.00</u>
Total Operating Income - Exhibit D(2)		<u>78.00</u>
Operating Expenses		
Administration		49,164.84
Housing assistance payments		<u>163,697.00</u>
Total Operating Expense - Exhibit D(2)		<u>212,861.84</u>
Net Operating Income (Loss)		<u>(212,783.84)</u>
Net Loss - Exhibit C(2)	\$	<u><u>(212,783.84)</u></u>

HOUSING AUTHORITY OF GRANT PARISH
 STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS
 ANNUAL CONTRIBUTION CONTRACT
FW — 2251

		Year Ended
		03-31-99
Operating Income		
Interest Income	\$	439.00
Total Operating Income - Exhibit D(3)		439.00
Operating Expenses		
Administration		24,640.51
Housing assistance payments		81,203.50
Total Operating Expense - Exhibit D(3)		105,844.01
Net Operating Income (Loss)		(105,405.01)
Net Loss - Exhibit C(3)	\$	(105,405.01)

HOUSING AUTHORITY OF GRANT PARISH
 ANALYSIS OF SURPLUS – STATUTORY BASIS
 TWELVE MONTHS ENDED MARCH 31, 1999

ANNUAL CONTRIBUTION CONTRACT
FW – 2020

Unreserved Surplus

Balance per prior audit at 03-31-98	\$ (1,657,261.67)
Net income for the year ended 03-31-99 - Exhibit B(1)	20,356.48
(Provision for) reduction of Operating Reserve for year ended 03-31-99 - Exhibit D(1)	<u>(55,430.48)</u>
Balance at 03-31-99	<u>(1,692,335.67)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-98	7,610.67
Provision for (reduction of) Operating Reserve for the year ended 03-31-99 - Exhibit D(1)	<u>55,430.48</u>
Balance at 03-31-99 - Exhibit F(1)	<u>\$ 63,041.15</u>

HOUSING AUTHORITY OF GRANT PARISH
 ANALYSIS OF SURPLUS — STATUTORY BASIS
 TWELVE MONTHS ENDED MARCH 31, 1999

ANNUAL CONTRIBUTION CONTRACT
FW — 2020

Cumulative HUD Contributions

Balance per prior audit at 03-31-98	\$	2,402,095.20
Adjustment by HUD of annual contributions		1722.24
Operating subsidy for year ended 03-31-99		35,074.00
Balance at 03-31-99		<u>2,438,891.44</u>

Cumulative HUD Grants

Balance per prior audit at 03-31-98	136,560.15
Advances for year ended 03-31-99	334,927.76
Balance at 03-31-99	<u>471,487.91</u>

Total Surplus - Exhibit A(1)	\$	<u>1,281,084.83</u>
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HOUSING AUTHORITY OF GRANT PARISH
 ANALYSIS OF SURPLUS – STATUTORY BASIS
 TWELVE MONTHS ENDED MARCH 31, 1999

ANNUAL CONTRIBUTION CONTRACT
FW – 2103

Unreserved Surplus

Balance per prior audit at 03-31-98	\$	(2,869,322.97)
Net loss for the year ended 03-31-99 - Exhibit B(2)		(212,783.84)
(Provision for) reduction of Operating Reserve for year ended 03-31-99 - Exhibit D(2)		16,157.84
(Provision for) reduction of Project Account for year ended 03-31-99 - Exhibit D(2)		(15,108.00)
Balance at 03-31-99		(3,081,056.97)

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-98		30,934.86
Provision for (reduction of) Operating Reserve for the year ended 03-31-99 - Exhibit D(2)		(16,157.84)
Balance at 03-31-99	\$	14,777.02

HOUSING AUTHORITY OF GRANT PARISH
 ANALYSIS OF SURPLUS – STATUTORY BASIS
 TWELVE MONTHS ENDED MARCH 31, 1999

ANNUAL CONTRIBUTION CONTRACT
FW – 2103

<u>Project Account</u>		
Balance per prior audit at 03-31-98	\$	377,059.52
Provision for (reduction of) Project Account for year ended 3-31-99 - Exhibit D(2)		15108.00
		<hr/>
Balance at 03-31-99		<u>392,167.52</u>
 <u>Cumulative HUD Contributions</u>		
Balance per prior audit at 03-31-98		2,501,162.16
Annual contributions for year ended 03-31-99- Exhibit D(2)		196,626.00
		<hr/>
Balance at 03-31-99		<u>2,697,788.16</u>
		 <hr/>
Total Surplus - Exhibit A(2)	\$	<u><u>23,675.73</u></u>

HOUSING AUTHORITY OF GRANT PARISH
 ANALYSIS OF SURPLUS — STATUTORY BASIS
 TWELVE MONTHS ENDED MARCH 31, 1999

ANNUAL CONTRIBUTION CONTRACT
FW — 2251

Unreserved Surplus

Balance per prior audit at 03-31-98	\$ (941,251.25)
Net loss for the year ended 03-31-99 - Exhibit B(3)	(105,405.01)
(Provision for) reduction of Operating Reserve for year ended 03-31-99 - Exhibit D(3)	8,108.01
(Provision for) reduction of Project Account for year ended 03-31-99 - Exhibit D(3)	(38,104.00)
Balance at 03-31-99	<u>(1,076,652.25)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 03-31-98	20,755.01
Provision for (reduction of) Operating Reserve for the year ended 03-31-99 - Exhibit D(3)	(8,108.01)
Balance at 03-31-99	<u>\$ 12,647.00</u>

HOUSING AUTHORITY OF GRANT PARISH
 ANALYSIS OF SURPLUS – STATUTORY BASIS
 TWELVE MONTHS ENDED MARCH 31, 1999

ANNUAL CONTRIBUTION CONTRACT
FW – 2251

Project Account

Balance per prior audit at 03-31-98	\$	88,546.92
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Provision for (reduction of) Project Account for year ended 3-31-99 - Exhibit D(3)		38104.00
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Balance at 03-31-99		126,650.92
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Cumulative HUD Contributions

Balance per prior audit at 03-31-98		852,180.92
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Annual contributions for year ended 03-31-99- Exhibit D(3)		97,297.00
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Balance at 03-31-99		949,477.92
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Total Surplus - Exhibit A(3)	\$	12,123.59
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HOUSING AUTHORITY OF GRANT PARISH

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT
FW — 2020

	Year Ended
	<u>03-31-99</u>
<u>Computation of Residual Receipts</u>	
<u>Operating Receipts</u>	
Operating Income - Exhibit B(1)	\$ 22,822.02
HUD operating subsidy	35,074.00
Prior year adjustments - affecting residual receipts	54,742.09
Total Operating Receipts	<u>112,638.11</u>
<u>Operating Expenditures</u>	
Operating expenses - Exhibit B(1)	57,207.63
Capital expenditures:	
Total Operating Expenditures	<u>57,207.63</u>
Residual receipts (deficit) per audit before provision for reserve	55,430.48
Audit adjustments (backed out)	
Residual receipts per PHA before provision for reserve	55,430.48
(Provision for) or reduction of operating reserve - Exhibit C(1)	<u>(55,430.48)</u>
Residual receipts per PHA	<u>\$ 0.00</u>

HOUSING AUTHORITY OF GRANT PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT – OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAMANNUAL CONTRIBUTION CONTRACT
FW – 2103

	<u>Year Ended</u>
	<u>03-31-99</u>
Maximum Contribution Available	
Maximum annual contribution authorized	\$ 211,734.00
Project account balance at beginning of fiscal year	<u>377,059.52</u>
Total Annual Contribution Available	<u>588,793.52</u>
Annual Contribution Required	
Housing assistance payments	163,697.00
Administrative fee	28,860.00
Independent public accountant audit costs	<u>4,147.00</u>
	196,704.00
Project receipts other than annual contribution	<u>78.00</u>
Total Contribution Required - Exhibit C(2)	<u>196,626.00</u>
Excess in Annual Contribution Available	\$ <u>392,167.52</u>
Year-end Settlement	
Annual contribution due for fiscal year	196,626.00
Total partial payments received by PHA for fiscal year	<u>198,392.00</u>
(Over) Under Payment Due (HUD) PHA	\$ <u>(1,766.00)</u>

HOUSING AUTHORITY OF GRANT PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT — OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAMANNUAL CONTRIBUTION CONTRACT
FW — 2103

	Year Ended
	<u>03-31-99</u>
Status of Project Account	
Project account balance at the beginning of fiscal year	\$ 377,059.52
Increase (decrease) during fiscal year - Exhibit C(2)	15,108.00
	<u>392,167.52</u>
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(2)	78.00
Annual contributions earned	196,626.00
	<u>196,704.00</u>
Operating Expenditures	
Operating expenses -Exhibit B(2)	212,861.84
	<u>212,861.84</u>
Residual receipts (deficit) before provision for operating reserve	(16,157.84)
Audit adjustments - backed out	
(Provision for) reduction of operating reserve - Exhibit C(2)	16,157.84
Residual receipts (deficit) per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF GRANT PARISH
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
 PROJECT ACCOUNT — OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM

ANNUAL CONTRIBUTION CONTRACT
FW — 2251

		<u>Year Ended</u>
		<u>03-31-99</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	135,401.00
Project account balance at beginning of fiscal year		<u>88,546.92</u>
Total Annual Contribution Available		<u>223,947.92</u>
Annual Contribution Required		
Housing assistance payments		81,204.00
Administrative fee		13,849.00
Independent public accountant audit costs		<u>2,683.00</u>
		97,736.00
Project receipts other than annual contribution		<u>439.00</u>
Total Contribution Required - Exhibit C(3)		<u>97,297.00</u>
Excess in Annual Contribution Available	\$	<u>126,650.92</u>
Year-end Settlement		
Annual contribution due for fiscal year		97,297.00
Total partial payments received by PHA for fiscal year		<u>107,176.00</u>
(Over) Under Payment Due (HUD) PHA	\$	<u>(9,879.00)</u>

HOUSING AUTHORITY OF GRANT PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND
PROJECT ACCOUNT – OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAMANNUAL CONTRIBUTION CONTRACT
FW – 2251

	Year Ended
	<u>03-31-99</u>
Status of Project Account	
Project account balance at the beginning of fiscal year	\$ 88,546.92
Increase (decrease) during fiscal year - Exhibit C(3)	38,104.00
	<u>126,650.92</u>
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(3)	439.00
Annual contributions earned	97,297.00
	<u>97,736.00</u>
Operating Expenditures	
Operating expenses -Exhibit B(3)	105,844.01
	<u>105,844.01</u>
Residual receipts (deficit) before provision for operating reserve	(8,108.01)
Audit adjustments - backed out	
(Provision for) reduction of operating reserve - Exhibit C(3)	8,108.01
Residual receipts (deficit) per PHA	\$ <u>0.00</u>

HOUSING AUTHORITY OF GRANT PARISH
 STATEMENT OF MODERNIZATION COSTS — UNCOMPLETED
 MARCH 31, 1999

	Project 902-97	Project 903-98
Funds Approved	\$ 629,350.00	\$ 45,500.00
Funds Expended	<u>367,006.26</u>	<u>520.00</u>
Excess of Funds Approved	<u>\$ 262,343.74</u>	<u>\$ 44,980.00</u>
Funds Advanced	\$ 367,006.26	\$ 520.00
Funds Expended	<u>367,006.26</u>	<u>520.00</u>
Excess of Funds Advanced	<u>\$ 0.00</u>	<u>\$ 0.00</u>

HOUSING AUTHORITY OF GRANT PARISH
ANALYSIS OF GENERAL FUND CASH BALANCE

ANNUAL CONTRIBUTION CONTRACT
FW — 2020

Composition Before Adjustments

Net operating receipts retained:			
Operating reserves - Exhibit C(1)	\$	63,041.15	
		63,041.15	

Adjustments

Expenses/costs not paid:			
Accounts payable		3,292.66	
Current fund imbalance		2,464.05	
Income not received:			
Accounts receivable		(14,743.53)	

General Fund Cash Available			54,054.33
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General Fund Cash:

Invested			(47,946.49)
Applied to deferred charges (prepaid insurance, inventories, etc.)		(1,693.17)	

General Fund Cash - Exhibit A(1)	\$		4,414.67
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HOUSING AUTHORITY OF GRANT PARISH
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED MARCH 31, 1999

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>CDFA NO.</u>	<u>GRANT ID NO.</u>	<u>AWARD AMOUNT</u>	<u>PROGRAM EXPENDITURES</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
Low-Income Housing				
Annual Contribution	14.850	FW- 2020	\$	\$ 0.00
Operating Subsidy	14.850	FW- 2020	35,074.00	35,074.00
Major Program Total			<u>35,074.00</u>	<u>35,074.00</u>
Section 8 Hap -				
Existing	14.857	FW- 2103	196,626.00	196,626.00
Major Program Total			<u>196,626.00</u>	<u>196,626.00</u>
Voucher Program	14.855	FW- 2251	97,297.00	97,297.00
Major Program Total			<u>97,297.00</u>	<u>97,297.00</u>
Comprehensive Improvement Assistance Program				
Project 97 - 902	14.852	FW- 2020	334,407.76	334,407.76
Project 98 - 903	14.852	FW- 2020	520.00	520.00
Major Program Total			<u>334,927.76</u>	<u>334,927.76</u>
Total HUD			\$ <u>663,924.76</u>	\$ <u>663,924.76</u>

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MEMBER
AMERICAN BOARD CERTIFIED
PUBLIC ACCOUNTANTS

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Housing Authority of Grant Parish
Georgetown, Louisiana

Compliance

We have audited the compliance of the Housing Authority of Grant Parish, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and HUD Notice PIH 96-53 that are applicable to each of its major federal programs for the year ended March 31, 1999. The Housing Authority of Grant Parish, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Grant Parish, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of Grant Parish, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and HUD Notice PIH 96-53. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Grant Parish, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of Grant Parish, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Grant Parish, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 1999.

The results of our audit procedures disclosed one immaterial instance of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs, as Audit Finding #2. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

Internal Control Over Compliance

The management of The Housing Authority of Grant Parish, Louisiana is responsible for establishing and maintaining internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Grant Parish, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Mike Estes P. C.

Fort Worth, Texas

August 26, 1999

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Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Housing Authority of Grant Parish
Georgetown, Louisiana

We have audited the financial statements of the Housing Authority of Grant Parish, Louisiana as of and for the year ended March 31, 1999, and have issued our report thereon dated August 26, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and provisions of the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of Grant Parish, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing a opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that are required to be reported under *Government Auditing Standards*, or the *Louisiana Governmental Audit Guide*, and is Audit Finding #1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Grant Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected

within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Mike Estes P. C.

Fort Worth, Texas
August 26, 1999

HOUSING AUTHORITY OF GRANT PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 1999

Prior Audit Findings and Questioned Cost

The prior audit report contained four audit findings:

- 1) Inadequate Segregation of Duties - reported as current audit finding #1.
- 2) Section 8 Tenant Files - violations of HUD guidelines - current review of tenant files for occupancy and eligibility disclosed no exceptions - finding is cleared, except as noted by Current Audit Finding #2.
- 3) Section 8 Waiting List - names not properly removed from the waiting list - current review of waiting list did not provide any noted noncompliance - finding is cleared.
- 4) Inaccurate Financial Statements Sent to HUD - the PHA has changed fee accountants and the financial statements sent for year-end to HUD were correct.

Current Audit Findings

Inadequate Segregation of Duties

- 1) Segregation of duties is not adequate to provide effective internal control because some incompatible functions must be performed by administrative employees. The functions of opening the mail, collecting rent, recording the receipt in the rent register, preparing the deposit, making the deposit and check preparation are all performed by both of the administrative employees. The PHA does maintain a list of all checks signed using a rubber stamp and has the board member sign off the list to ratify the use of the stamp.

Recommendation

Due to the size of the Housing Authority, further segregation of duties may be impractical. Continue to have board member sign list of checks signed using the rubber stamp, ratifying the use of the stamp.

Reply

We will comply with the above

Non-Compliance with QHWRA

- 2) The Quality Housing and Work Responsibility Act of 1998 (QHWRA) requires several changes be made in 1999 to the admissions policy and Section 8 administrative plan.

Recommendation

We realize these are very recent changes. The PHA personnel needs to attend HUD seminars and/or work with other PHA's to make the necessary changes and implement them.

Reply

We will comply with the above.

HOUSING AUTHORITY OF GRANT PARISH
REVIEW OF PRIOR YEAR MANAGEMENT LETTER COMMENTS

MARCH 31, 1999

- A. There is no current year management letter.
- B. The prior year audit contained five management letter comments. Their disposition is as follows:
- 1.) Budget Concerns - Alerted the PHA that the subsidy of the PHA would receive as low rent units would be less than previously received when units were leased. Careful monitoring of expenses was recommended.
Disposition - for the year ended 3/31/99, total administrative expense and total routine expense were less than budgeted amounts.
 - 2.) Low Rent Tenant Waiting List Placements Not Adequately Documented
Disposition - No exceptions were noted in the review of waiting lists for the year ended 3/31/99.
 - 3.) Incorrect 941 Payroll Returns Filed
Disposition - preparation of 941's for year ended 3/31/99 is deemed inadequate.
 - 4.) Inadequate Documentation of Cash Disbursements
Disposition - Cash disbursements were adequately supported for the year ended 3/31/99.
 - 5.) Deficit General Fund Balance Budgeted
Disposition - No deficit fund balances were budgeted for 3/31/99. No actual year-end fund balances were deficits, either.

HOUSING AUTHORITY OF GRANT PARISH
 SCHEDULE OF ADJUSTING JOURNAL ENTRIES

MARCH 31, 1999

	ACCT. # FOR AUDIT REPORT PURPOSES	DR	CR	ACCT. # FOR POSTING TO PHA BOOKS
<1> Land	1400	2,500.00		1400
Nondwelling Structures	1400	534,850.00		1400
Cumulative Contributions	2840		537,350.00	2841

To post prior audit adjustment - historical cost of land and buildings of twenty-three units and five acres of land of leased program converted to low rent.